Office of Chief Counsel Internal Revenue Service

memorandum

CC: WR: PNW: POR: TL-N-6635-99

SMFrancis

date:

to:

Ronald Giebenhain, Revenue Agent

Exam Group 1406

Pacific-Northwest District

Portland MS 0146

from:

Shirley M. Francis

Attorney

Thomas J. Travers

Associate District Counsel

Pacific-Northwest District

Portland

subject:

CEP Examination:

Taxpayer:

Taxable Years:

and

This is in response to your memorandum dated November 4, 1999, concerning the above-referenced taxpayer.

<u>Issues</u>

- 1. Who is the proper party to execute the Forms 872, Consent to Extend the Time to Assess Tax, for the for the taxable periods ending and and
- 2. What is the proper language to identify the taxpayer on the Forms 872?

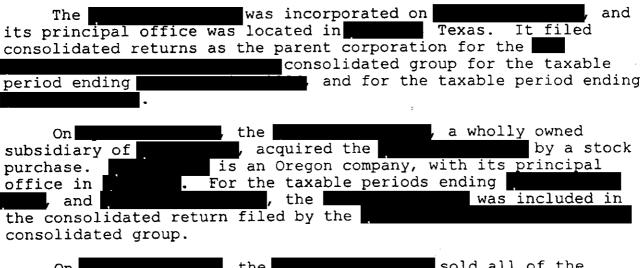
Conclusions

- 1. is the proper party to execute the Form 872 for each of the taxable periods on behalf of the consolidated group. The Form 872 may be signed by a current officer of the
 - 2. We recommend that the Form 872 for the taxable period

ending	contain the captio	n "
(EIN:	, formerly	" followed by an
asterisk. At the bottom	of the form, we wou	ld add the f <u>ollowing:</u>
"*With respect to the consolidated tax liability of the		
(EIN: formerly		
consolidate	d group for the taxa	ble period ending
• 11		

We recommend that the same caption and language be used for the Form 872 for the taxable period ending the state the different taxable period.

Facts



On sold all of the stock in the

On its Form 1120, U.S. Corporation Income Tax Return, for the taxable period ending the consolidated group reported a net operating loss in the amount of \$ 1. It filed a Form 1139, Corporation Application for Tentative Refund, on or about to carry the net operating loss back to the taxable years ending the period of the consolidated group reported a net operation and the corporation are successful to the taxable years ending the consolidated group reported a net operating loss in the amount of \$ 1. It filed a Form 1139, Corporation application for Tentative Refund, on or about the taxable years ending the consolidated group reported a net operating loss in the amount of \$ 1. It filed a Form 1139, Corporation application for Tentative Refund, on or about the taxable years ending the consolidated group reported a net operating loss in the amount of \$ 1. It filed a Form 1139, Corporation application for Tentative Refund, on or about the taxable years ending the consolidated group reported a net operating loss in the amount of \$ 1. It filed a Form 1139, Corporation application for Tentative Refund, on or about the taxable years ending the consolidated group reported a net operating loss in the consolidated group reported a net operating loss in the consolidated group reported a net operating loss in the consolidated group reported a net operating loss in the consolidated group reported a net operating loss in the consolidated group reported a net operating loss in the consolidated group reported a net operating loss in the consolidated group reported a net operating loss in the consolidated group reported a net operating loss in the consolidated group reported a net operating loss in the consolidated group reported a net operating loss in the consolidated group reported a net operating loss in the consolidated group reported a net operating loss in the consolidated group reported a net operating loss in the consolidated group reported and consolidated group reported group reported group reported group reported grou

You asked about the content and the execution of the

Forms 872, in conjunction with the examination of the taxable periods ending , and , and , for the consolidated group.

Discussion

The facts of this case fall under the general rule that the common parent for a consolidated group is the proper party to represent the members of the group. Once a consolidated return is filed, the parent for that particular taxable year becomes the group's agent for the purposes of procedural matters concerning the group's tax liability for that year. Treas. Reg. § 1.1502-77(a). See also Union Oil Co. of Cal. v. Commissioner, 101 T.C. 130, 135 (1993).

The was renamed as the Notwithstanding the name change, and the changes in the ownership of the stock in the after the taxable periods at issue, the corporation is still in existence. Under Treas. Reg. § 1.502-77(a), it has the authority to execute the Forms 872 for the taxable periods ending and on behalf of the consolidated group for each of those taxable years.

Because of the changes that occurred over the years, we recommend that you caption the Form 872 for the taxable period ending , as " (EIN: , formerly , " followed by an asterisk. At the bottom of the form, we would add the following: "*With respect to the consolidated tax liability of the (EIN: , formerly , consolidated group for the taxable period ending ." We would also use that caption and language for the Form 872 for the taxable period ending , except to state the different taxable period.

We understand that various other ownership changes took place after with the parent, with respect to the members of the consolidated group. Any changes within the group do not affect the parent's authority as the agent for the group for the taxable years for which the consolidated returns were filed, including the authority to execute the Forms 872.

Finally, each Form 872 should be signed by a current officer of the . Although I.R.C. § 6501(c)(4) does not specify who may execute a consent on behalf of a corporation, the Service's position is that the rules for the execution of a corporate tax return also apply to the execution of a consent to

extend the time for an assessment. Rev. Rul. 83-41, 1983-1 C.B. 399, clarified and amplified, Rev. Rul. 84-165, 1984-2 C.B. 305.

A corporate return may be signed by the company's president, vice president, treasurer, assistant treasurer, chief accounting officer, or any other officer who is authorized to do so. I.R.C. § 6062. Under I.R.C. § 6064, an individual's signature on a corporate return is presumed to be authentic, and constitutes prima facie evidence that he or she was authorized to sign it. Hence, any current officer of the may execute a Form 872 on behalf of the consolidated group, regardless of whether he or she was an officer when the particular consolidated return was filed.

If you have any questions or if we can be of any assistance, please call attorney Shirley Francis at 326-3100, ext. 228.